

Endowment Fund Investment Board

STARS Number & Budget Unit: 322 LABA, 322 LABB(Cont)

Bill Number & Chapter: S1162 (Ch.43), S1194 (Ch.171), S1230 (Ch.325), H395 (Ch.398)

PROGRAM DESCRIPTION: Through active management of the endowment funds, the State Insurance Fund, and the Judges' Retirement Fund, the Endowment Fund Investment Board provides growth of principal to the funds and increased income to the funds' beneficiaries. [Idaho Code, §57-718]

DIVISION SUMMARY:	FY 2004 Total Appr	FY 2004 Actual	FY 2005 Total Appr	FY 2006 Request	FY 2006 Gov Rec	FY 2006 Approp
BY FUND SOURCE						
Dedicated	630,300	544,500	553,000	575,400	571,700	568,200
Percent Change:		(13.6%)	1.6%	4.1%	3.4%	2.7%
BY EXPENDITURE CLASSIFICATION						
Personnel Costs	408,800	347,900	341,500	358,300	357,300	354,100
Operating Expenditures	215,700	172,000	206,500	209,600	206,900	206,600
Capital Outlay	5,800	24,600	5,000	7,500	7,500	7,500
Total:	630,300	544,500	553,000	575,400	571,700	568,200
Full-Time Positions (FTP)	5.00	5.00	4.00	4.00	4.00	4.00

In accordance with Section 67-3519, Idaho Code, this division is authorized no more than 4 full-time equivalent positions at any point during the period July 1, 2005 through June 30, 2006 for the programs specified.

DECISION UNIT SUMMARY:	FTP	General	Dedicated	Federal	Total
FY 2005 Original Appropriation	4.00	0	550,200	0	550,200
HB 805 One-time 1% Salary Increase	0.00	0	2,800	0	2,800
FY 2005 Total Appropriation	4.00	0	553,000	0	553,000
Non-Cognizable Funds and Transfers	0.00	0	0	0	0
Budgeted Reversion	0.00	0	(600)	0	(600)
FY 2005 Estimated Expenditures	4.00	0	552,400	0	552,400
Removal of One-Time Expenditures	0.00	0	(7,700)	0	(7,700)
Base Adjustments	0.00	0	500	0	500
FY 2006 Base	4.00	0	545,200	0	545,200
Benefit Costs	0.00	0	3,300	0	3,300
Replacement Items	0.00	0	7,500	0	7,500
Nonstandard Adjustments	0.00	0	100	0	100
27th Payroll (S1230)	0.00	0	12,100	0	12,100
Fund Shifts	0.00	0	0	0	0
FY 2006 Total Appropriation	4.00	0	568,200	0	568,200
Change From FY 2005 Original Approp.	0.00	0	18,000	0	18,000
% Change From FY 2005 Original Approp.	0.0%		3.3%		3.3%

SUPPLEMENTALS: In January, the legislature learned that the Endowment Fund Investment Board had suspended distributions to the Agricultural College and Charitable Institutions. Two of the entities affected by the suspension, Veteran's Services and the School for the Deaf and the Blind, indicated they would be able to absorb the loss of funds. S1162 adjusted \$1,506,300 in appropriations between the healthier and less healthy pooled endowments. That freed up General Funds to make up for the remaining suspensions.

APPROPRIATION HIGHLIGHTS: Personnel benefit costs were funded. No inflationary increases were provided. Nonstandard adjustments reflect changes in Attorney General and Controller fees. Separate legislation funded the one-time 27th Payroll from dedicated and federal funds including the Economic Recovery Fund in place of the General Fund (S1230). A one-time 1% Change in Employee Compensation (CEC) increase of \$3,200 was provided contingent upon a prescribed balance in the General Fund at the end of fiscal year 2005 (H395). A fund shift of \$12,900 adjusted spending authority between earnings reserves and the State Insurance Fund. The appropriation contained continuous spending authority for consulting fees, bank custodial fees and portfolio-related external costs for the period July 1, 2005, through June 30, 2006.

The appropriation in S1194 also contained transfers of \$2,130,00 from the General Fund to the Agricultural College Earnings Reserve Fund and \$2,470,000 from the General Fund to the Charitable Institutions Earnings Reserve Fund. These transfers were made to bring those earnings reserve into a positive position. Budgeted distributions to the beneficiaries were increased from the healthier endowments so there was no net General Fund impact. Further adjustments to the FY 2006 appropriations held the Agricultural College and Charitable Institutions harmless by providing General Fund Appropriations in the place of Endowment Income. Finally, the bill included legislative intent that the EFIB distribute to the Public Schools at the 5% rate rather than the 4% rate originally recommended by the Land Board. This meant an additional \$4,617,400 for Public Schools.

FY 2006 APPROPRIATION:	FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
D 0349-00 Miscellaneous Rev	1.20	109,500	53,200	0	0	0	162,700
OT D 0349-00 Miscellaneous Rev	0.00	3,700	0	2,400	0	0	6,100
D 0482-70 Endowment Admin.	2.80	232,500	153,400	0	0	0	385,900
OT D 0482-70 Endowment Admin.	0.00	8,400	0	5,100	0	0	13,500
Totals:	4.00	354,100	206,600	7,500	0	0	568,200